

THE CITY OF



GREAT BEND

92-266 /
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P.O. BOX 1168

GREAT BEND, KANSAS 67530

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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Box 1168
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January 25, 1993

Office of the Secretary of the FCC
1919 M Street, Room 222
Washington, DC 20554

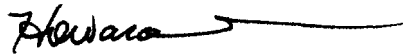
RE: Cable TV Rate Regulation Rules

Dear Secretary:

The City of Great Bend, Kansas, supports the benchmarking approach to local rate regulation as favored by the FCC. We further request that the FCC structure local rate regulation proceedings to eliminate the enormous cost in time and money which could be involved should the process be overly cumbersome, therefore we encourage a simplified process in which local rate proceedings would be streamlined to allow for a cost-effective and easy to administer process.

We appreciate your assistance.

Sincerely,


Howard D. Partington
City Administrator

HDP:br

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January 27, 1993

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Ms. Donna Searcy, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

RE: Notice of Proposed Rulemaking
MM Docket No. 92-266
"Rate Regulation"

Dear Ms. Searcy,

As the owner and operator of cable systems in a number of communities in California, Total TV offers these Comments in response to the referenced Notice of Proposed Rulemaking.

In the name of encouraging and nourishing competition in the delivery of video services, Total TV asks the Commission to consider: (1) defining geographic pricing areas, in terms larger than mere individual franchise areas, where uniform pricing would be required; and (2) simplifying the pricing process so that the number of possible service classes is limited and the creation of new classifications not allowed to defeat competition.

Total TV, in support of its proposal for uniform pricing over larger geographic areas, notes that it has about 4,000 customers and operates as a competitive, franchised cable operator in a portion of the City of Cathedral City, which has a population of about 35,000 (some 10,000 homes). There are seven other contiguous cities which have ongoing franchised cable systems. All eight of these communities are served by Total's major competitor from one common headend.

If its competitor is allowed to undercut Total TV in Cathedral City and does not have to provide uniform pricing throughout the geographic area, the force of the new law will have been fatally diminished. If enforcement does not look at the "cable system" in the real world, but instead looks to individual franchise areas, then very large cable systems will be afforded virtual "carte blanche" to practice cross-subsidization and price discrimination.

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TOTAL TV OF CALIFORNIA, INC., 27-700 AVENIDA BELLEZA, CATHEDRAL CITY, CA 92234 (619) 325-5125, FAX (619) 325-4012



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Even a cursory examination of the ownership patterns of cable systems in urban areas will show extensive consolidation of urban and suburban franchises into large cable systems covering large geographic areas.

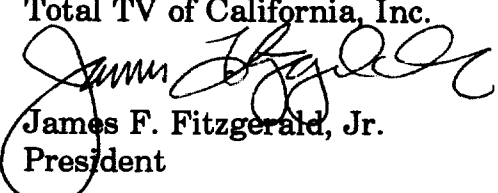
Even if the Commission were to demand uniform pricing over large geographic areas, we are concerned that the creation of new service classifications could be resorted to in order to defeat the intent of a requirement for uniform rates. Total has witnessed special "classes" established for RV parks, hotels, motels, and private homes in gated communities. We believe the price generally bears no relation to cost savings, but is rather aimed at holding off the new competitor. We literally have seen prices drop to less than one-half of previous levels for these selective buyers solely because of the arrival of a competitor. This is no surprise. Deep discounting by the first operator prevents the new competitor from having an initial "bankable" revenue stream and results again in a cross-subsidy from the non-discounted service area.

Allowing the proliferation of classes would be difficult to police and would, in final analysis, defeat the aim of uniform pricing.

Your cooperation will be appreciated.

Yours truly,

Total TV of California, Inc.



James F. Fitzgerald, Jr.
President

JFF:lso